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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/865,647	05/25/2001	Tetsurou Koide	253A 3052	4545
7590 KODA & ANDROLIA SUITE - 1140 2029 Century Park East Los Angeles, CA 90067-2983		12/31/2007	EXAMINER BARTLEY, KENNETH	
			ART UNIT 3693	PAPER NUMBER
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 09/865,647	Applicant(s) KOIDE ET AL.	
	Examiner Kenneth L. Bartley	Art Unit 3693	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 05 November 2007.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-17 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-17 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. Receipt of Applicant's amendment and response filed on November 5, 2007 is acknowledged.

Response to Amendment

2. Claims 1-17 have been amended. Claims 1-17 are pending in the application and are provided to be examined upon their merits.

Response to Arguments

3. Applicant's arguments filed November 5, 2007 have been fully considered but they are not persuasive. The Examiner provides the following response to Applicant's remarks.

The Examiner notes that Applicant claims 1-9 and 11-16 were rejected under 35 U.S.C. 103(a) based on prior art from U.S. Patent 5,978,799 to Stein et al. and Bard and Official Notice. Also, claims 10 and 17 were rejected under the above and in further view of A-Mark.

4. **Applicant comments on page 8, 2nd paragraph:**

The Examiner has rejected the claims 1 through 9 and 11 through 16 under 35 USC 103, as being obvious over Stein et al. in view of Bard. Applicant has carefully reviewed Stein and respectfully submits that Stein is directed to a system to be utilized by brokers and client managers and not to general consumers such as individual clients. In contrast thereto, Applicant's invention is directed towards individual clients as is clear from the preamble of Applicant's claims. In addition, Applicant respectfully submits that the preamble of Applicant's claims sets the environment in which Applicant's invention operates and is necessary to give life and meaning to the claim (see Corning Glass Works v. Sumitomo Electric U.S.A., Inc. 9USPQ2d 1962 (CASC 1989)).

The Applicant indicates support can be found on page 3, third full paragraph of Applicant's specification:

"It is another object of the present invention to provide a fixed-monetary-amount purchasing system for precious metals which allows the customers a more efficient and reliable access to any part of the operation of the system so that the customers may be able to make a more informed and timely decision."

Therefore, the Examiner accepts that Applicant's invention is directed toward consumers. However, with all due respect, the Examiner also notes in Applicant's "Background of the Invention":

[0003] 2. Prior Art

[0004] There has been known an investment system on precious metals designed for general consumers through which precious metals such as gold or platinum are periodically purchased.

[0005] In practice, two methods have been commonly used. One is a "simple average purchasing method" in which a fixed amount is continually purchased, and the other is a "dollar cost averaging method" in which purchases are continued at a fixed monetary amount. Both methods were developed in order to reduce the risk caused by the fluctuation in precious metal prices.

Therefore, the Applicant is teaching in their specification that it is old and well known for general consumers to purchase precious metals through an investment system with the capability of fixed-monetary-amount purchases.

5. The Applicant continues on page 8, 3rd paragraph:

With the above in mind, Applicant has carefully reviewed Stein and respectfully submits that the Examiner's assertion contained in paragraph 13.a through e. particularly only are relevant as to brokers and client managers and not to individual consumers or clients such as Applicant's invention.

The Examiner looks at Stein:

"For example, a typical brokerage will have individuals and institutions as clients; the brokerage can offer a number of services, including various different account types (e.g., the central assets account described above), various transaction services (e.g., stock trading, commodities trading, wire fund transfers), various products (e.g., money markets, mutual funds), and often access to thirdparties' (called "counterparties" herein) products and services." (col. 3, lines 47-55)

Therefore, the Examiner agrees that the system described by Stein is directed toward brokers and not general consumers, even though the system benefits individuals.

However, the Applicant is asserting that Office Action 13a. to 13e. are not relevant to individual consumers. The Examiner respectfully disagrees with this. Clients are individuals as indicated above, and the prior art is directed toward clients. Therefore the prior art is directed toward individuals. Nevertheless, the Examiner provides new art below.

6. The Applicant argues use of Bard on page 8, 4th paragraph:

Still further, Applicant would like to reiterate that while Bard mentions a "program", Applicant's analysis indicates that this is not a software program and merely describes a process offered by particular companies to assist clients in purchasing and accumulating precious metals and does not disclose or suggest the step (d) of Applicant's claims.

The Examiner provides Applicant's step (d):

(d) storing all of said purchased merchandise in protective custody for said client accounts in each instance;

The Examiner notes that Bard teaches:

"Investors can sell all or part of their holdings at any time, Luben adds. The Bullion is stored in London or Delaware; Merrill Lynch charges no storage or insurance fees." (pg. 76, 2nd col, 3rd para.)

First, the step being taught is storing merchandise, which Bard teaches. Secondly, with all due respect, even if Merrill Lynch used a manual system to record storing merchandise, it would have been obvious a long time ago to computerize such a system.

7. The Applicant argues A-Mark:

Still further, Applicant's review of A-Mark indicates that it discloses the kinds of services which would be provided by precious metal and coin dealers and the "VIDEO MELT" is not an image of the merchandise stored in protective custody which is displayed by the client server in accordance with the types and weight of the merchandise and is instead a video tape provided to the customer of the complete process for verification of the results.

The Examiner agrees with the Applicant that the display is not from a server, however, using a server and the Internet to transmit a display is

also old and well known. The Examiner provides new art in the rejection below.

Claim Rejections - 35 USC § 112

8. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 1-17 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

On further analysis of claim 1, the Examiner is not clear if the claim is directed to a system or method. The claim in the preamble indicates a system, but then concludes with "the steps of:" where the steps appear to be method steps. If claim 1 is a system claim, the steps should functionally limit the system. If the claim is a method claim, it should be declared as such and the dependent claims should also be changed to indicate a method claim. See MPEP 2114. Claims 2-17 are rejected because they depend from the independent claim.

Claim Rejections - 35 USC § 103

9. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

10. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

11. Claims 1-9 and 11-16 are rejected under 35 U.S.C. 103(a) as being unpatentable over U.S Patent 5,978,779 to Stein, et al., in view of Bard (Purchase Precious Metals through Monthly Investments, Susan M. Bard, Commodities, March 1982, Vol. 11, Iss. 3, pp. 76, 78), in view of **Bullion Direct (www.bulliondirect.com)** and in further view of Official Notice.

Regarding applicant claims 1, 3, 4, and 11-15, Stein, et al., discloses:

- a. A system for purchasing commodities (col. 3, lines 47-55);
- b. The creation and storing of client information in a database (col. 2, lines 30-36) and a method of registering new clients (col. 5, lines 29-37);
- c. A ledger that contains client information and any relationships, related document information, which presumably could include purchasing agreements, and deposit information (col. 6, lines 66-67 and col. 7, line 1);
- d. Information stored in a database regarding client purchases and sales/deliveries related to products and services (col. 6, lines 21-26);

- e. Bank information added to a ledger of a client so the client has account information regarding purchase/sell transactions with financial institutions (col. 6, lines 26-33);
- f. A system server to create and modify client information, to enter and modify transactions (such as purchases), and to view the ledger (col. 10, lines 26-31), which provides a summary of client holdings that would indicate the presence or absence of a payment (col. 7, lines 3-9) into an account;
- g. A system server connecting clients and counterparties by electronic means (col. 10, lines 14-18 and Fig. 3) able to perform various described functions, which could include various commercial transactions with a counterparty. A "Library" for retrieving and sending forms needed for creation and transaction between clients and counterparty (col. 10, lines 44-47).
- h. Various settlement and transaction methods through which payment may occur, including SWIFT and Fed Wire, which could provide net banking (col. 6, lines 33-38);
- i. Clients can determine how deposited money will be invested (col. 5, lines 11-23), which presumably could include purchasing merchandise on each business day with an amount equal to a fixed-monetary purchase of a commodity. This could also include using a loan charge as a fund for spot purchases;
- j. "...at least one database for storing data about (i) said client and any related counterparty to said client, (ii) said financial product, and (iii) activity,

positions, and balances for said client, said at least one database accessible through said network..." (col. 2, lines 52-56). Purchase weight information would be available from activity (purchase price) and balances (determined from weight x market price/unit weight);

k. A product master database, which includes information about all products (e.g. precious metals in this case) that an entity buys and sells (col. 14, lines 26-33), which would allow client to sell merchandise and transfer funds into the client account. Since the valuation of precious metal transactions is determined by weight, presumably the database would include the weight of the metal.

Further, the database provides for product tracking and analysis capability;

l. Multiple ledgers associated with a single client, where each ledger provides transactions associated with a particular relationship (col. 9, lines 15-21).

Stein, et al., demonstrates a system for transacting commodities and where a counterparty can act as a guarantor for a client (col. 4, lines 46-51), but does not provide details of a "fixed-monetary-amount" purchasing system or information regarding precious metal holdings such as an exchange of merchandise or a storage method. Bard discloses a "fixed-monetary-amount" investment programs, and a way to exchange and store precious metals. Merrill Lynch Commodities manager states "If the price goes down, it merely means an investor can purchase more ounces than if the price were higher." Several other companies, including Gold Standard Corp., also provide a cost averaging approach. Gold Standard also has the ability to exchange

merchandise by switching "holdings to/from gold, silver or platinum." Regarding storage, Merrill Lynch provides storage for investors with no fee. Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made for Stein, et al., to add a "fixed-monetary-amount" purchasing system to increase investment in precious metals, consider allowing investors to switch their commodities as an added service to clients, and to provide for precious metal storage as a convenience to customers. It is noticed that the assignee of Stein, et al., is Merrill Lynch, Pierce, Fenner & Smith.

While the above references provide for a system where commodities can be purchased using a primary server, they do not disclose the location of the server. However, the Examiner takes Official Notice that locating a server with a purchaser is old and well known. Therefore, it would have been obvious to one skilled in the art at the time of invention to locate a main server with a purchasing organization, and that such a location, for example, would provide important market information to a purchaser regarding their clients.

Also, while the above references provide for a system with a wide area network (WAN), they do not disclose "an internet." However, the Examiner takes Official Notice that considering an internet or the Internet to be a WAN is old and well known. Therefore, it would have been obvious to one skilled in the art at the time of invention to include an internet or the Internet in their system as a matter of design choice, and that such a system would provide improved access to clients.

Further, while the above references teach purchasing commodities, they do not teach purchasing online in order to provide access to general customers.

Bullion Direct teaches a hub-centric order matching system for precious metals.

Use of an online purchasing system for precious metals allows for placing transactions directly online by a general customer. It would have been obvious to one of ordinary skill in the art at the time of invention to use the known technique of an online purchasing system as taught by Bullion Direct to facilitate the purchasing of commodities as taught by Stein et al. for the result of facilitating purchases of precious metals by general customers.

12. Regarding claim 2, Stein, et al., discloses:

- a. Provisional client information is entered into the system electronically during a pre-approval process (col. 5, lines 50-60), and once approved entered as approved in the system (col. 5, lines 37-42);
- b. Client has access to their "virtual" ledger (col. 7, lines 25-28), indicating that they have been approved and are in the system.

13. Regarding claim 5, Stein, et al., discloses a plurality of stations communicating through a network, at least one database for storing data about a client and related counterparty and for activity, positions, and balances for the client (col. 2, lines 51-56).

A client has the option to determine confirmation preferences (col. 5, lines 42-49), which could presumably be set following execution of purchases of merchandise.

14. Regarding claims 6-9, Stein, et al., provides for:

- a. Access of a main server to client database (col. 10, lines 30-43 and Fig. 3), and client access to balances via a network (col. 2, lines 54-56);
 - b. Access to counterparties products (col. 3, lines 52-55) that could include merchandise stored in protective custody;
 - c. A "Library processing center," where a client can receive required documents for certain transactions (col. 6, lines 55-58), (e.g. sale or return of merchandise) and the client could receive confirmation of the transaction, where the transaction would normally include updating database(s) (col. 5, lines 42-49);
 - d. An "internal ledger" that has the "inventory of an instrument" and also a transaction error processing capability, which presumably would prevent negative inventory (col. 7, lines 29-35) and which could allow for re-application or the ability to automatically dispense the inventory balance;
 - e. Client has capability of deciding where monies are to be deposited from sales (col. 6, lines 21-26).
15. Regarding claim 16, Stein, et al., allows for users to enter information and request(s) or command(s) through a "graphical user interface" (col. 14, lines 41-43), where a "graphical user interface" would include graphical images such as menus as defined in Microsoft Computer Dictionary (Microsoft Computer Dictionary, Fifth Edition, Microsoft Press, Redmond, WA. 2002). Therefore an inquiry could provide account information such as balances.

16. Claims 10 and 17 are rejected under 35 U.S.C. 103(a) as being unpatentable over the references as combined in section (11), above, in further view of A-Mark (A-Mark web site dated 05/06/1998) and **U.S. Patent 6,484,195 to Igarashi et al.**

17. Although the references as combined in section (11), above, disclose a purchasing system and a computer network with a graphical interface, they do not disclose providing limit-orders or images of merchandise held in protective custody. A-Mark provides an order execution where trade occurs at a particular trading price as well as "Videomelt," a videotape that allows customers to witness that their precious metal was handled professionally and that a fair assay took place. Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to provide a market-limit order ability as well as an image over the network, as per applicant claims 10 and 17, since a market-limit order can enhance returns and the network would provide the convenience of on-demand images to customers.

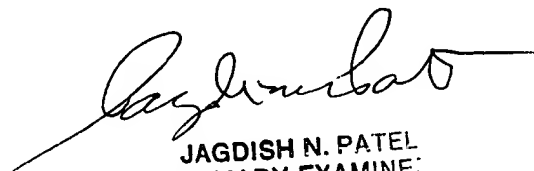
18. **The above combined references teach storing precious metals and a video image of the precious metals. They do not teach using a server to display the image over the internet. Igarashi et al., teaches a server that transmits images over the Internet. It would have been obvious to one of ordinary skill in the art at the time of invention to provide images of precious metals as disclosed by the above references using a server over as taught by Igarashi et al.. Using the known technique of a server and the Internet to provide the images of precious metals would have been obvious to one of ordinary skill.**

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Kenneth L. Bartley whose telephone number is (571) 272-5230. The examiner can normally be reached on Monday through Friday, 8:00 - 5:00 EST.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jagdish Patel can be reached on (571) 272-6748. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.


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